Film and Television Tax Credit Program Changes
Fact Sheet

Program Changes

What are the changes to the program?
See appendix below for details of differences between the previous state and the current state.

Expanded Application Window:

- To provide increased flexibility, productions can apply to the Film and Television Tax Credit (FTTC) program up to 120 days after commencing principal photography in Alberta.
- Applications are not accepted if the productions have already started principal photography prior to June 7, 2024.

Added Option that Allows Productions to Claim Tax Credits for Each Year Expenses are Incurred:

- The program allows productions to request either a single tax credit certificate for the last taxation year that eligible costs were incurred or multiple tax credit certificates, one for each taxation year that eligible costs were incurred. This enables productions to claim the tax credit earlier and allows multi-year productions to make a yearly claim instead of cumulatively at the end of production.
- Only new applications will have the option to elect to have one tax credit certificate issued for the entirety of their production expenses or multiple tax credit certificates issued annually over the lifecycle of their production.
  - The multiple tax credit certificate option allows applicants to claim the tax credit for the taxation year in which costs were incurred and paid.
- Applicants need to select if they are requesting a single tax credit certificate or multiple tax credit certificates at the time of application for an authorization letter.
  - To receive multiple tax credit certificates, a breakdown of the total production budget needs to be provided for each taxation year in which the applicant expects to claim the tax credit.
    - The authorization letter will show the breakdown of preliminary tax credits the applicant is expected to claim each year, as well as the maximum cumulative tax credit amount.
    - Applicants must submit a tax credit certificate request within six months following the end of their taxation year, and each tax credit certificate request must be accompanied by an audited cost statement for that period.
  - To receive a single tax credit certificate once the project is complete, applicants will submit their actual production costs, accompanied by an audited production cost statement, within 42 months of starting principal photography.
- Current applicants who have already received authorization letters will not have the opportunity to select the multiple tax credit certificate option, as the changes will not be implemented retroactively.

Expanded Eligible Production Genres:

- The eligibility criteria are expanded to include additional eligible production genres to encourage further investment, including investment in labour force development, sector infrastructure, and jobs.
- Reality television and game show productions are eligible for the FTTC program, with the continued exception of non-documentary productions that consists mainly of stock or surveillance footage.
- Stakeholders have advocated for the inclusion of these genres, as they can often be filmed year-round, utilizing available studio and soundstage space, and supporting spin-off economic activity and good jobs for Albertans.
Add Location Consideration for Rural and Remote Filming:

- We recognize that filming in rural and remote locations has associated increased costs and want to ensure that filming in such locations is a viable option.
- While the maximum tax credit rate would remain 30 per cent, the introduction of added location consideration for rural and remote filming provides the opportunity for all eligible productions to access the maximum tax credit rate offered under the FTTC program.
- Productions eligible for the base 22 per cent tax rate can apply for an additional eight per cent in tax credit on all eligible Alberta labour and production costs, provided that the productions complete a minimum of 75 per cent of their Alberta-based filming days in rural or remote locations.
- The rural and remote boundaries are detailed in the Program Guidelines.

Changes to the program and a companion guide related to how to apply to the program can be found on the FTTC program website at www.alberta.ca/film-television-tax-credit.

The department will offer information sessions to help potential applicants understand the changes and navigate the program application portal. Details will be emailed to all existing applicants of the FTTC program. If you have not applied to the FTTC program previously and wish to be included in the invitations, please email fttc.program@gov.ab.ca.

Why have these changes been made?

- Changes have been made to improve program delivery and competitiveness and to reduce red tape for applicants in response to feedback from applicants and stakeholders.
- Stakeholders have expressed that the requirement to apply to the program prior to starting Alberta filming has been a barrier. As this is not required in most other Canadian jurisdictions, new production companies looking to establish an Alberta presence may inadvertently miss the deadline.
- Reducing restrictions around reality television and gameshows increases the competitiveness of Alberta’s FTTC program. These types of productions utilize many of the same resources as traditional film and television projects, producing many of the same spin-off economic benefits and supporting good jobs for Albertans.
- Alberta’s FTTC program offers a competitive tax credit rate when compared to other jurisdictions. Providing additional consideration for rural and remote filming will attract productions to new areas of the province by defraying some of the additional costs associated with filming outside of major metropolitan areas.
- Applicants have asked that tax credits be issued sooner to reduce loan carrying costs while they wait for the end of another taxation year to claim the credit. For productions selecting the single tax credit certificate option, a tax credit certificate would be issued for the last taxation year in which the production incurred expenses.
- The multiple tax credit certificate option allows applicants to claim the tax credit for the taxation year in which costs were incurred and paid. Providing applicants with the option to claim annual tax credits will allow production corporations to access interim cash-flow.
- The changes provide a six-month window to request a tax credit certificate following the end of each taxation year, enabling productions to claim the tax credit earlier.

Would any of the changes to the FTTC program be implemented retroactively?

- All changes are effective on a go-forward basis. They are not applicable to productions who have already applied and been authorized to the program.
  - Applicants who have not yet been authorized in the FTTC program and have not yet started principal photography prior to the changes coming into effect could withdraw their application and re-apply under the new rules.
  - Applicants who were denied because they started principal photography prior to applying to the program will not be approved under the updated FTTC program, as changes are on a go-forward basis only.
- There is a transitional provision related to requesting a revised tax credit certificate for existing applications that have been issued a tax credit certificate but have not yet claimed their tax credit.
  - This provides applicants the opportunity to access their tax credits sooner than their current effective date, by enabling them to claim the tax credit for the taxation year in which expenses were last incurred.

Why are the changes not being applied retroactively?

- There is a general rule against retroactivity when making changes to legislation to ensure all applicants are treated equally. This rule is being adhered to in the implementation of these changes.

www.alberta.ca/film-television-tax-credit

©2021 Government of Alberta | June 7, 2024 | Jobs, Economy and Trade
Expanded Application Window

What is the new timeline for producers to submit their application to the FTTC program?

- Productions that started principal photography on or after June 7, 2024, are allowed to apply to the program up to 120 days after commencing principal photography in Alberta.
- Applications are not accepted if the productions have already started principal photography prior to June 7, 2024.

Can productions reapply to the program once principal photography changes take effect?

- Applicants who have been denied because they started principal photography prior to applying to the program will not be approved under the updated FTTC program as the changes are on a go-forward basis only.
  - The 120-day application window is effective as of June 7, 2024, and re-application will not change the fact that principal photography started before June 7, 2024.
- There is a general rule against retroactivity when making changes to legislation, to ensure all applicants are treated equally. This rule is being adhered to in the implementation of these changes.

Tax Credit Certificate Requests

Is there an opportunity for applicants who have not yet received their tax credits to have their tax credit certificates revised?

- Existing applications that have been issued a tax credit certificate, but have not yet claimed the tax credit, are able to request a revised tax credit certificate.
- A revised tax credit certificate allows a corporation to apply for a tax credit for the taxation year in which eligible expenses were last incurred.
  - *E.g.*, a corporation applied for their tax credit certificate on January 1, 2024, but their taxation year ended on December 31, 2023. Under the previous legislation, this applicant would not be eligible to apply for the tax credit until the end of taxation year 2024.
  - *The transitional provision enables this applicant to claim the tax credit in respect of taxation year 2023 (when expenses were last incurred), enabling more timely access to funding.*
- Corporations have one opportunity to request a single revised tax credit certificate, with a deadline of January 31, 2025.

Would the Minister be able to issue a tax credit certificate so that it may be claimed for expenses incurred in the most recent taxation year?

- Outside of the transition provision, existing tax credit certificates would not be revised.
  - Between June 7, 2024, and January 31, 2025, applicants can revise a tax credit certificate that was previously issued but not yet claimed (i.e., revising the tax credit certificate enables them to claim it sooner than the original effective date).
- Going forward, changes allow productions to choose to request either a single tax credit certificate for the last taxation year that eligible costs were incurred, or multiple tax credit certificates for each taxation year that eligible costs are incurred, enabling productions to claim the tax credit earlier.
- The tax credit certificate will show the taxation year to which it applies and will link it to the most recent year in which production costs were incurred, rather than a single date of receipt of information.
- Providing a six-month window following the end of a taxation year to request a tax credit certificate gives corporations the flexibility they need to perform year-end processes to claim their tax credits in the relevant taxation year, as opposed to waiting to claim in the following year.

Does a production have to request tax credit certificates each year?

- At the time of application, production corporations need to indicate whether they wish to request a single tax credit certificate when their production is complete, or multiple tax credit certificates.
- New applicants to the FTTC program do not have to request multiple tax credit certificates.
Eligible Genres

Are there any changes to the list of ineligible genres?
- Some reality television and game shows are eligible for the program.
- The Program Guidelines provide additional requirements for these genres.

Why weren’t other genres considered for inclusion in the program?
- With the rise in popularity of productions in respect of a game, competition, or contest, as well as reality television in recent years, the inclusion of these genres presents an opportunity to continue to increase production activity in Alberta.
- Stakeholders have advocated for the inclusion of these genres, as they can often be filmed year-round, utilizing available studio and soundstage space, and supporting spin-off economic activity and good jobs for Albertans.

Added Consideration for Rural and Remote Filming

Will producers have to provide additional information to claim rural and remote filming?
- Applicants are required to submit additional information and documentation to apply for the rural and remote filming consideration.
- Requirements are detailed in the Program Guidelines.

What is considered rural and remote?
- The parameters and locations eligible to be considered rural and remote locations can be found in the Program Guidelines.
- Generally, the cities of Edmonton and Calgary are not included in the definition of rural and remote locations, as these areas are not subject to the added costs associated with filming in less populated areas of the province.

Administrative Changes

What are the administrative and oversight changes?
- These changes empower the Minister to issue directives or guidelines to increase enforceability of program requirements and clarify information required for applications.

Why is interest no longer earned on tax credit payments?
- The FTTC is effectively a grant delivered through the corporate tax system. Grants are government financial supports and differ from overpayments of tax, which are taxpayer-paid monies that government is holding.
- Alberta does not pay refund interest on other grant payments or payments made to taxpayers under the province’s commodity tax programs (e.g., fuel tax, tobacco tax, tourism levy). This change aligns with provincial policy on the treatment of interest.
## Appendix

<table>
<thead>
<tr>
<th>Program Element</th>
<th>Previous State</th>
<th>New State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Window</strong></td>
<td>Productions could not apply to the Minister for an authorization letter in respect of a project after Alberta principal photography began on the project.</td>
<td>Productions can apply for an authorization letter up to a maximum of 120 days after Alberta principal photography begins.</td>
</tr>
<tr>
<td><strong>Applicable Taxation Year for Tax Credits</strong></td>
<td>A tax credit could only be applied to a tax year based on the date that completed deliverables were received by the ministry.</td>
<td>A tax credit certificate shows the taxation year to which it applies (based on the applicant corporation’s relevant taxation year) instead of a single date of receipt of information.</td>
</tr>
<tr>
<td><strong>Issuance of Multiple Tax Credit Certificates</strong></td>
<td>Under the previous legislation, a tax credit certificate showed the amount of the single tax credit that may be claimed by the corporation in the taxation year in which the date of receipt fell on.</td>
<td>Applicants have the option of claiming multiple tax credits during the production (for the taxation year in which eligible expenses were incurred) or a single tax credit at the end (for the last taxation year in which eligible expenses were incurred) once all final documentation has been submitted.</td>
</tr>
<tr>
<td><strong>Excluded Productions</strong></td>
<td>A production in respect of a game, questionnaire or contest and reality television were excluded from the FTTC program.</td>
<td>Game show and reality television are eligible for the FTTC program.</td>
</tr>
<tr>
<td><strong>Added Consideration for Rural and Remote Filming</strong></td>
<td>Not Applicable</td>
<td>Productions are eligible for the 30 per cent tax credit rate when at least 75 per cent of principal photography days occur in rural and remote areas of Alberta.</td>
</tr>
<tr>
<td><strong>Required Information for Authorization</strong></td>
<td>A production plan must have contained a copy of the chain of title documentation in respect of the project when applying for an authorization letter.</td>
<td>The chain of title documentation is only required if the project is applying for the 30 per cent tax credit rate under the Alberta-owned productions stream.</td>
</tr>
<tr>
<td><strong>Administrative Changes</strong></td>
<td>Not Applicable</td>
<td>Some administrative changes are implemented as follows:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) A new provision empowers the Minister to issue directives or guidelines with respect to some matters.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) A new provision is added so that no interest is accrued and paid on tax credits owed to eligible corporations.</td>
</tr>
</tbody>
</table>

**FTTC Act change**

**FTTC Regulation change**

**Alberta Corporate Tax Act change**